

Message Text

UNCLASSIFIED

PAGE 01 TAIPEI 01705 040821Z

63

ACTION XMB-04

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 /051 W
----- 108257

R 040729Z APR 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 4675

UNCLAS TAIPEI 1705

SECSTATE WASH PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, TW

SUBJ: FCIA CLAIMS NOS. M-571-X, M-572-X, D-356

REF : LETTER TELEGRAM OF CLAIMS DEPARTMENT TO YUAN-I
INDUSTRIAL CO. DATED MARCH 6, 1975

1. EMBASSY HELD A MEETING WITH CHIN-SUO CHEN, GENERAL
MANAGER OF YUAN-I INDUSTRIAL CO. AND WU JUNG INDUSTRIAL
CO. (DEBTOR & GUARANTOR OF THREE SUBJECT LOANS), AND
ASIA Y. Y. CHEN, VICE PRESIDENT OF YUAN-I AMONG HIS
OTHER CONCURRENT POSITIONS, ON APRIL 3 AFTER FRUITLESS
EFFORTS IN ARRANGING EARLIER CONTACTS. CHIN-SUO CHEN
STATED FOLLOWING VIEWS AND POSITIONS OF BOTH YUAN-I
AND WU JUNG: (1) AT PRESENT YUAN-I IS NOT ABLE TO PAY
BACK SIMULTANEOUSLY THREE LOANS. (2) HOWEVER, DARK
DAYS ARE OVER AND THEY ARE ABLE AGAIN TO ACCUMULATE
SURPLUS WORKING CAPITAL THOUGH OF SMALL AMOUNT AT THE
START. PAYMENT ON ONE LOAN IN FEBRUARY 1975 SUBSTANTIATED
THIS FACT; IT ALSO DEMONSTRATES THEIR SINCERITY IN HONORING
DEBT OBLIGATIONS. (3) IN LIGHT OF BETTER EXPORT PROSPECTS
AND RISING SELLING PRICES YUAN-I EXPECTS TO RESUME FULL
REPAYMENT ON THREE LOANS IN SEPTEMBER. (4) YUAN-I HAS
US\$4 MILLION IN ASSETS ELIGIBLE FOR PURPOSE AS LOAN COLLATERAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TAIPEI 01705 040821Z

ACCORDING TO AN INDEPENDENT APPRAISER ACCEPTIBLE TO LOCAL

BANKS AND THESE HAVE BEEN PLACED AS SECURITY AGAINST DOMESTIC BORROWINGS TOTALING US\$2 MILLION (LOCAL BANKING PRACTICE REQUIRES 2 TO 1 AS THE RATIO OF VALUE OF COLLATERAL TO SECURED LOAN). UNDER CIRCUMSTANCE, YUAN-I CANNOT OFFER ANY OF ITS ASSETS AS FIRST MORTGAGE TO EX-IM BANK. EXACTLY SAME SITUATION PREVAILS IN WU JUNG. (5) IN VIEW OF ABOVE, YUAN-I PROPOSES RESCHEDULING TO RESUME REPAYMENTS ON THREE LOANS BEGINNING NEXT SEPTEMBER, AND WAIVER OF LOAN COLLATERAL AND AUDITED FINANCIAL STATEMENTS ON GROUNDS THAT SEPTEMBER IS LESS THAN HALF A YEAR AHEAD.

2. EMBASSY INSISTED YUAN-I FORMALLY REPLY TO YOUR LETTER TELEGRAM AND OFFERED OUR TRANSMISSION FACILITIES. REMINDED TWO CHENS THAT RESCHEDULING REQUIRES BILATERAL AGREEMENT NOT UNILATERAL ACTION AND AUDITED FINANCIAL STATEMENTS REQUIRED AT VERY LEAST. THEY AGREED AND EMBASSY SUPPLIED NAMES OF FOUR CPA FIRMS THAT ARE MEMBERS OF LOCAL AMERICAN CHAMBER OF COMMERCE, HOPING AUDIT BY ONE OF THESE FIRMS WOULD PRODUCE AUDITED STATEMENTS UP TO US STANDARDS AND ADEQUATELY INFORMATIVE.
UNGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TAIPEI01705
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750118-0054
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750479/aaaacuo.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 NT TO YUAN-I
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 26 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 JUN 2003 by maginmm>; APPROVED <12 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FCIA CLAIMS NOS. M-571-X, M-572-X, D-356
TAGS: EFIN, TW, YUAN-I INDUSTRIAL CO, WU JUNG INDUSTRIAL CO, (CHIN-SUO CHEN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006